

FIRST REGULAR SESSION

HOUSE BILL NO. 1035

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CARPENTER.

2111H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 144.069 and 306.016, RSMo, and to enact in lieu thereof two new section relating to the taxation of watercraft.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 144.069 and 306.016, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 144.069 and 306.016, to read as follows:

144.069. **1.** All sales taxes associated with the titling of motor vehicles, trailers, boats and outboard motors under the laws of Missouri shall be imposed at the rate in effect at the location of the address of the owner thereof, and all sales taxes associated with the titling of vehicles under leases of over sixty-day duration of motor vehicles, trailers, boats and outboard motors shall be imposed at the rate in effect, unless the vehicle, trailer, boat or motor has been registered and sales taxes have been paid prior to the consummation of the lease agreement at the location of the address of the lessee thereof on the date the lease is consummated, and all applicable sales taxes levied by any political subdivision shall be collected and remitted on such sales from the purchaser or lessee by the state department of revenue on that basis.

2. Notwithstanding subsection 1 of this section, no sales tax shall apply to United States Coast Guard registered vessels purchased for purposes of marine construction including, but not limited to, barges, dredges, marine cranes, and other marine equipment utilized for construction or dredging of waterways.

306.016. **1.** By January 1, 1995, the owner of any vessel documented by the United States Coast Guard on August 28, 1994, and the new owner of any vessel purchased after August 28, 1994, who upon the sale or transfer of the vessel desires to document the vessel with the United States Coast Guard, shall apply for a vessel certificate of registration and pay a

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

5 certification fee of seven dollars and fifty cents, an initial registration fee in an amount equal to
6 the amount required for a certificate of number under section 306.030 and all applicable state and
7 local or in lieu watercraft taxes as provided by law in effect on the date the vessel was
8 documented or submit proof that all applicable registration fees have been paid to the department
9 of revenue and all applicable taxes or in lieu watercraft taxes have been paid in this or another
10 state. Such application shall include the county in which such vessel will be normally
11 maintained by the new owner. A certificate of registration and a set of registration decals in a
12 form the director shall prescribe shall be issued for a documented vessel. A Missouri resident
13 shall make application for a vessel certificate of registration within thirty days of acquiring or
14 bringing the vessel into this state. A nonresident shall make application for a vessel certificate
15 of registration within sixty days after acquiring a vessel in this state or bringing a vessel into this
16 state if the vessel will be kept in this state for a period in excess of sixty consecutive days. A
17 delinquency penalty fee of ten dollars shall be imposed for each thirty days of delinquency, not
18 to exceed a total of thirty dollars. If the director of revenue learns that any person has failed to
19 make application for a vessel certificate of registration in accordance with this section or has sold
20 a vessel documented by the United States Coast Guard without obtaining a certificate of
21 registration as provided in this section, the director shall cancel the registration of all vessels and
22 outboard motors registered in the name of the person, either as sole owner or a co-owner, and
23 shall notify the person that the cancellation will remain in force until the person pays the
24 delinquency penalty fee together with all fees, charges, and payments which the person should
25 have paid in connection with the vessel certificate of registration.

26 **2. If purchased before August 28, 2017,** a boat or vessel documented by the United
27 States Coast Guard or other agency of the federal government and operated on the waters of this
28 state shall not be liable for the payment of any state or local sales or use tax on the purchase, but
29 shall be liable for the payment of an in-lieu watercraft tax, which is hereby imposed. The fee in
30 lieu of tax imposed pursuant to this section shall not apply to United States Coast Guard
31 registered vessels purchased for purposes of marine construction including, but not limited to,
32 barges, dredges, marine cranes, and other marine equipment utilized for construction or dredging
33 of waterways. The in-lieu watercraft tax shall be collected by the director of revenue and
34 deposited in the state treasury to the credit of general revenue and shall be appropriated for use
35 by the water patrol division. Watercraft dealers in this state shall report to the director of revenue
36 on forms furnished by the director the sale of each watercraft sold to a resident of this state. If
37 the watercraft is registered and licensed pursuant to the provisions of this chapter and all
38 applicable sales taxes have been paid, the director shall not collect the in-lieu tax imposed by this
39 subsection. If the watercraft is registered with the United States Coast Guard or other agency of
40 the federal government and not under the provisions of this chapter the director shall bill the

41 purchaser of the watercraft for the in-lieu tax imposed by this subsection. Any person who fails
 42 to pay the in-lieu tax due under this section, within thirty days after receipt of the bill from the
 43 director of revenue, shall be liable to the same penalties imposed by law for failure to pay sales
 44 and use taxes due the state. The in-lieu tax shall be determined as follows:

45

46 PURCHASE PRICE OF WATERCRAFT	TAX DUE
47 Less than \$ 15,000	\$ 500.00
48 \$ 15,001 to \$ 30,000	650.00
49 \$ 30,001 to \$ 50,000	1,000.00
50 \$ 50,001 to \$100,000	1,400.00
51 \$100,001 to \$150,000	2,000.00
52 \$150,001 to \$200,000	3,000.00
53 \$200,001 to \$250,000	4,000.00
54 \$250,001 to \$300,000	5,000.00
55 \$300,001 to \$350,000	5,500.00
56 \$350,001 to \$400,000	6,000.00
57 \$400,001 to \$450,000	6,500.00
58 \$450,001 to \$500,000	7,500.00
59 \$500,001 to \$550,000	8,500.00
60 \$550,001 to \$650,000	9,500.00
61 \$650,001 to \$750,000	10,500.00
62 \$750,001 and above	add an additional 1,500.00
63	for each \$100,000 increment

64 **3. If purchased on or after August 28, 2017, the owner of a boat or vessel shall be**
 65 **liable for the payment of any state or local sales or use tax on the purchase of such boat or**
 66 **vessel but shall not be liable for the payment of the in-lieu watercraft tax under subsection**
 67 **2 of this section.**

68 **4.** The registration decals for any vessel documented by the United States Coast Guard
 69 shall be in force and effect for a period of three years so long as the vessel is owned or held by
 70 the original holder of the certificate of registration and shall be renewed upon application and
 71 payment of a registration renewal fee equal to the amount required for a certificate of number
 72 under section 306.030. The owner shall attach the registration decals to both sides of the forward
 73 half of the bow of the documented vessel in a place that is fully visible.

74 **[4-] 5.** The department of revenue may issue a temporary vessel certificate of registration
 75 authorizing the operation of a vessel to be documented by the United States Coast Guard for not
 76 more than sixty days. The temporary registration shall be made available by the department of

77 revenue and may be purchased from the department of revenue or from a dealer upon proof of
78 purchase of a vessel. The department shall make temporary certificates of registration available
79 to registered dealers in this state in sets of ten. The fee for the temporary certificates of
80 registration shall be five dollars each. No dealer shall charge more than five dollars for each
81 temporary certificate of registration issued. The temporary registration shall be valid for a period
82 of sixty days from the date of issuance by the department of revenue to the purchaser of the
83 vessel or from the date of sale of the vessel by a dealer from which the purchaser obtains a
84 certificate of registration. The temporary certificate of registration shall be issued on a form
85 prescribed by the department of revenue and issued only for the purchaser's use in the operation
86 of the vessel purchased to enable the purchaser to legally operate the vessel while a certificate
87 of registration is being obtained, and shall be displayed on no other vessel. Temporary
88 certificates of registration issued under this section shall not be transferable or renewable and
89 shall not be valid upon issuance of a proper certificate of registration. The dealer or authorized
90 agent shall insert the date of issuance and expiration date, year, make and the manufacturer's
91 identification number of the vessel on the temporary registration when issued to the purchaser.
92 The dealer shall complete the information on the temporary registration in full. Every dealer that
93 issues a temporary certificate of registration shall keep, for inspection by authorized officers, a
94 correct record of each temporary certificate of registration issued by the dealer by recording the
95 registration number, purchaser's name and address, year, make and manufacturer's identification
96 number of the vessel on which the temporary certificate of registration is to be used and the date
97 of issuance.

98 ~~[5-]~~ 6. Upon the sale or transfer of any vessel documented by the United States Coast
99 Guard for which a certificate of registration has been issued, the registration shall be terminated.
100 If the new owner elects to have the vessel documented by the United States Coast Guard, the new
101 owner shall submit, in addition to the properly assigned certificate of registration, proof of
102 release from the documentation provided by the United States Coast Guard and shall comply
103 with the provisions of this section. If the new owner elects not to document the vessel with the
104 United States Coast Guard, the owner shall comply with the applicable provisions of this chapter.
105 ~~[6-]~~ 7. The certificate of registration shall be available at all times for inspection on the
106 vessel for which it is issued, whenever the vessel is in operation.

✓